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Complete Set

Commercial Diploma Examinations



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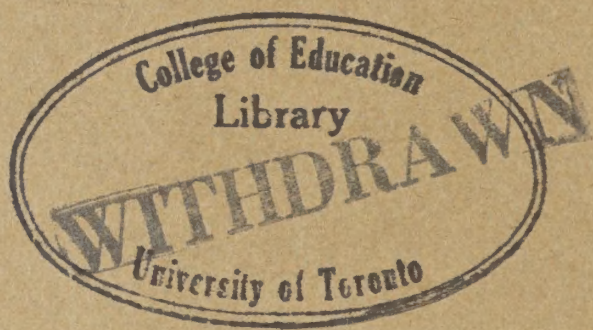
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1946

PUBLISHED BY

**Ontario Commercial Teachers'
Association**

ORGANIZED IN 1895



76031

Commercial Diploma Examination

JUNE, 1946

RAPID CALCULATION

Time—30 minutes

INSTRUCTIONS. *Grade IX do problems 1-7.*
Grade X do problems 1-9.
Grade XI do problems 1-10.

1. (a) Add horizontally and vertically:

37	74	82	35	58	67	=
56	96	59	94	35	45	=
64	88	63	47	67	82	=
75	69	78	79	44	54	=
98	47	45	53	76	78	=
89	93	96	62	92	36	=
<u>42</u>	<u>72</u>	<u>34</u>	<u>86</u>	<u>83</u>	<u>99</u>	=
						=
<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

(b) Add: $29\frac{2}{9}$ (c) Add, and find the average to nearest cent:

54 ¹	\$2,175.39
68 $\frac{4}{9}$	386.57
75 $\frac{1}{3}$	1,097.26
<u>86</u>	206.37
	55.89
<u>=====</u>	1,149.25
	986.35
	38.87
	363.92
	209.68
	<u>1,467.67</u>
Total	\$ <u>=====</u>
Average	\$ <u>=====</u>

[OVER]

2. (a) Subtract, and add the results: (b) Subtract:

91	83	72	46	64	45.			$64\frac{3}{4}$
<u>47</u>	<u>29</u>	<u>38</u>	<u>19</u>	<u>25</u>	<u>27</u>	<u>Total</u>		<u>$37\frac{5}{6}$</u>
=====	=====	=====	=====	=====	=====	=====		=====

3. Multiply: (a) $547.8 \times .69$ (b) $369.8 \times .087$

_____	_____
=====	=====

4. Divide and add the results:

(a) $9 \overline{)3861}$	$8 \overline{)2936}$	$12 \overline{)7932}$	<u>Total</u>
_____	_____	_____	=====
+ _____	+ _____	= _____	
=====			

- (b) Find the quotient to the nearest figure in the third decimal place:

$$.008356 \overline{)7.63776}$$

5. (a) $(6\frac{1}{2} \times 7\frac{1}{2}) \div (3\frac{1}{4} \times 37\frac{1}{2}) =$

(b) $\frac{420 \times 27 \times 128 \times 50}{63 \times 48 \times 75 \times 64} =$

(c) $\frac{37\frac{1}{2} \times 16\frac{2}{3} \times 56}{14 \times 33\frac{1}{3} \times 12\frac{1}{2}} =$

(d) $\frac{3.75 \times 62.5 \times 36}{12.5 \times 125 \times 72} =$

6. (a) Complete the deposit slip:

15 x 1	
29 x 2	
38 x 5	
4 x 10	
3 x 20	
Silver	22.40
Cheques (2)	365.75
	98.50
Less Exchange	.42

- (b) Complete the following cheque stub:

Balance	556.94
Withdrawal	326.90
Balance	
Deposit	225.75
Total	
Withdrawal	178.77
Balance	

$$\begin{array}{rcl}
 7. (a) & 37\frac{1}{2}\% \text{ of } \$ 246.32 & = \$ \\
 & 1\frac{1}{4}\% \text{ of } 2400.00 & = \\
 & 125\% \text{ of } 634.20 & = \\
 & 83\frac{1}{3}\% \text{ of } 576.24 & = \\
 & \text{Total} & \$
 \end{array}$$

$$\begin{array}{rcl}
 (b) & 32 \text{ yds. Silk Crepe @ } \$2.90 & = \$ \\
 & 24 \text{ yds. Broadcloth @ } 3.75 & = \\
 & 64 \text{ yds. Serge @ } 1.25 & = \\
 & 38 \text{ yds. Silk @ } 1.66\frac{2}{3} & = \\
 & \text{Total} & \$
 \end{array}$$

GRADE IX END HERE.

$$\begin{array}{rcl}
 8. (a) & 45 \times 11 = \\
 & 28 \times 2\frac{1}{2} = \\
 & 54 \times 56 = \\
 & 65 \times 15 = \\
 & \text{Total} \\
 (b) & 2874 \div 12\frac{1}{2} = \\
 & 3254 \div 33\frac{1}{3} = \\
 & 4875 \div 16\frac{2}{3} = \\
 & \text{Total}
 \end{array}$$

9. (a) With a tax rate of 33 mills, find the tax on an assessment of \$2,450.

Answer.....

(b) Find the premium on a policy of \$3,500 at the rate of 70c. per \$100.

Answer.....

$$\begin{array}{rcl}
 (c) & \text{Selling Price} & \$10,000.00 \\
 & \text{Commission } \frac{1}{2}\% & \underline{\hspace{1cm}} \\
 & \text{Net Proceeds} & \$
 \end{array}$$

(d) Find the Interest on \$455.00 from Oct. 22, 1941 to March 9, 1942, at 4% per annum. \$.

GRADE X END HERE

$$\begin{array}{rcl}
 10. (a) & 87 \times 99 = \\
 & 85 \times 42 = \\
 & 124 \times 998 = \\
 & \text{Total}
 \end{array}$$

[OVER]

(b) Find the proceeds of a note for \$500.00 dated Nov. 15, 1944, for 3 months, discounted Dec. 5, 1944, at 8%.

(c) Using the 60 day 6% method, find the interest on \$170.14 for 45 days at 6%.

(d) Fill in the blank spaces: (Gain % or Loss % reckoned on the cost)

No.	Cost	Gain %	Loss %	Selling Price
1.	\$475.60		15%	
2.	27.80			\$30.58
3.		20%		27.36
4.			33 $\frac{1}{3}$ %	444.00
5.	210.30	16 $\frac{2}{3}$ %		

MARKING
SCHEME

	GRADE IX	GRADE X	GRADE XI
1. (a)	$1 \times 14 = 14$	$\frac{1}{2} \times 14 = 7$	$\frac{1}{2} \times 14 = 7$
(b)	3	3	3
(c)	$3 + 2 = 5$	$3 + 2 = 5$	$3 + 2 = 5$
2. (a)	5	5	4
(b)	3	3	2
3.	$3 \times 2 = 6$	$2 \times 2 = 4$	$2 \times 2 = 4$
4. (a)	4	4	2
(b)	8	7	3
5.	$5 \times 4 = 20$	$5 \times 4 = 20$	$4 \times 4 = 16$
6. (a)	6	4	4
(b)	6	3	3
7.	$10 \times 2 = 20$	$5 \times 2 = 10$	$5 \times 2 = 10$
8.		9	9
9.		$4 \times 4 = 16$	$2 \times 4 = 8$
10.			$5 \times 4 = 20$
	<u>100</u>	<u>100</u>	<u>100</u>

Commercial Diploma Examination

JUNE, 1946

JUNIOR BUSINESS PRACTICE—GRADE IX

Time—2 hours

(Ruled forms should be supplied.)

NOTE: *A candidate must answer ALL of Part A and any THREE questions of Part B.*

SPECIAL NOTE: *10 per cent of the marks for this examination are given for neatness.*

PART A

(ALL questions to be answered.)

1. As the newly-elected Treasurer of the "Bombers Basketball Club" of your School with duties to commence June 1st, 1946 you are given the Bank Pass Book, written up to date, showing a balance of \$31.50 on deposit. Also you are given the

Cash Book (with bank columns), which has been properly audited, and entrusted with the cash balance of \$12.50.

June 1. Write in the proper headings for the Cash Book and enter the balances stated above. Proceed to enter the following transactions for the week of June 1st.

June 3. Bought 3 pairs of gym shoes @ 3.75 per pair from the Ajax Sports Supply Co. and paid by cheque No. 81.

June 4. Share of gate receipts from game with the "Rovers Basketball Club" received in cash, \$32.50. Deposited \$25 (six \$1 bills; two \$2 bills; one \$5 bill; thirty-seven quarters, six dimes and three nickels).

June 5. Nine tickets to Hamilton and return via C.N.R. @ \$3.90 each paid by cheque No. 82. Taxis in Hamilton paid in cash \$4.85.

June 6. Share of gate receipts from game with Hamilton "Hoppers", \$43.25 received by cheque, endorsed and deposited in bank. Bought for cash 2 pairs elbow pads @ \$1.25 each and a new Cash Box, \$3.80.

June 7. Paid \$7.50 by cheque No. 83 to Dr. Carr for X-ray of player's arm.

June 8. Balance and close off the Cash Book, bringing the balances down for June 10, 1946.

(Value, 15)

[OVER]

2. (a) Make out stub and cheque No. 81 as of June 3.

(Value, 5)

(b) Make out stub and receipt (No. 93) as of June 4 for share of gate receipts (received from the "Rover Basketball Club").

(Value, 5)

(c) Make out deposit slip for the deposit of June 4, using account No. 417.

(Value, 4)

(d) Show the endorsement you would make on the back of the cheque received from the Hamilton "Hoppers" Basketball Club June 6 before depositing it in the bank. The cheque is made payable to the "Bomber Basketball Club".

(Value, 3)

(e) Show the Bank Pass Book written up to date from June 1st through June 8th assuming all cheques issued were presented to, and entered by your bank the day after date of issue.

(Value, 7)

3. (a) List any THREE reasons why a Bank Account is better than keeping money at home.

(Value, 3)

(d) State briefly THREE services, advantageous to the business man, NOT offered by a Savings Account, but which are offered by a Current Account.

(Value, 3)

4. (a) Explain briefly what is meant by the term "Franking".

(b) Explain briefly how the "Airgraph" saves space and weight in modern trans-oceanic mail service.

(Value, 3)

5. (a) In a long distance call on which the charges are "reversed" what must the operator ask the person to whom the call is placed before making the final connection?

(Value, 3)

(b) Re-write the following expressions in order to reduce the word count for use in a telegram. Indicate the word count (in both cases) as shown in the example.

Example: 50 BOXES (3)..... FIFTY BOXES (2)
Cash on Delivery.....
8.30 p.m.....
Length, breadth and depth.....

6. Select the proper method of communication for each of the following and state the reasons for your selection.

(a) A Toronto merchant wishes to have a dozen pelts of a certain type of fur put on tonight's train from Ottawa by a furrier there.

(Value, 3)

(b) A firm in Toronto wishes to advise its representatives in Glasgow, Scotland, that all prices are to be increased 6%, effective immediately.

(Value, 3)

PART B

(Answer any THREE but ONLY THREE of the following questions.)

(Value of each question, $3 \times 3 = 9$)

7. (a) State briefly THREE services to the customer, NOT generally offered by Chain Food Stores but which ARE usually offered by the Independent Food Merchant.

(b) State the single word heading for each of the THREE amount columns on the right-hand side of a personal ledger account.

(c) Briefly describe any THREE of the four items of information contained in a regular "Statement of Account",

8. (a) State any THREE desirable future goals for which a student might well commence saving money now.

(b) A man who sacrificed considerably to insure his own life for \$25,000 (making his wife the beneficiary) was accused of being "Selfish". Do you agree or disagree? Explain.

(c) Briefly describe any THREE tests of a good investment.

9. (a) Name THREE important Remitting Agencies.

(b) State the type of remittance you would select to send

(i) \$2.25, within a week, to a firm in Manitoba

(ii) \$90, within a week, to the U.S.A.

(iii) \$50 to a friend in Montreal within the next four hours.

(c) Copy and complete the following sentence: A charge called "exchange", with a minimum amount of c., is made by the on cheques which are drawn on

10. (a) State the type of transportation you would select for sending:

(i) A gift scarf to a friend in a city in Nova Scotia.

(ii) A special drug from a Toronto firm to Vancouver within twenty-four hours.

(iii) A basket of choice apples from Southern Ontario to a friend 500 miles distant in a Northern Ontario town.

(b) State the THREE main factors which together determine the freight rate on a shipment of goods.

(c) State THREE different types of power used by modern locomotives.

11. (a) State THREE common ways in which water may be carelessly wasted in the home.

(b) State the unit of measurement by which each of the following is measured for home consumption in your community.

(i) Gas, (ii) Electricity, (iii) Water.

(c) Explain how the fuse is a very necessary protection in any domestic electrical system.

12. (a) State briefly the main difference between the duties of an Immigration Officer and a Customs Officer.

(b) Modern Airlines state that there are to be "no gratuities" made to Airline Personnel by Passengers. Explain.

(c) Explain the italicized words in the following sentences :
Mr. Carson, who usually *commuted*, made a *reservation* at the Hotel on the *American Plan*.

Commercial Diploma Examination

JUNE, 1946

ARITHMETIC—GRADE X

Time—2½ hours

1. (a) Complete the following Payroll Sheet, based on a regular 44 hour week, with time and a quarter allowed for overtime:

Employee's Number	Days of the Week						Hours		Rate per 8 hr. day	Wages		Total Wages
	M	T	W	T	F	S	Reg.	Over-time		Reg.	Over-time	
1	9	8½	10	9½	7¼	5			6.40			
2	8¾	9	8½	10	9½	4			4.80			

(Value=10)

(b) Complete the following Time Card and find the wages for the week of M. Russell who is employed at 75c. per hour with time and a half for overtime, based on an 8 hr. day. (Saturday, a half day)

Week ending June 15, 1946					
Day		TIMES		HOURS	
		IN	OUT	Reg. Time	Overtime
Mon.	a.m.	7.56	12.16		
	p.m.	12.58	6.10		
Tues.	a.m.	8.10	12.10		
	p.m.	1.12	4.55		
Wed.	a.m.	7.58	12.08		
	p.m.	12.57	5.35		
Thurs.	a.m.	8.19	12.03		
	p.m.	1.40	5.05		
Fri.	a.m.	7.56	11.48		
	p.m.	12.57	6.05		
Sat.	a.m.	7.57	1.25		
		TOTAL			

WAGES:

Regular

Overtime

TOTAL

(Value=10)

[OVER]

2.

\$450.00

Hamilton, Ont., April 15, 1946.

Ninety days after date I promise to pay

. James Hunter

Four Hundred and Fifty xx/100 Dollars

Value received with interest at 5% per annum.

Thomas Martin.

Discounted May 13, 1946, at 7%. Find bank discount and proceeds. (Value=10)

3. The catalogue price of hats is \$3.60, subject to discounts of 25%, 10% and 10%. How many hats can be bought for \$349.92? (Value=10)

4. A sold a horse which cost him \$200 to B at a gain of 10% of cost; B sold him to C at a loss of 10%; C sold him to D at a gain of 10%; and D sold him to A at a loss of 10%. How much did A pay for the horse the last time? (Value=10)

5. The premium on a building insured for two-thirds of its value at $1\frac{3}{4}\%$ is \$105. What is the value of the building? Value=10

6. A commission merchant in Montreal sells 15,460 lb. of wool at $24\frac{1}{2}$ c. a pound. If his commission is 4% and exchange $\frac{1}{8}\%$, how large a draft can he buy to send to his consignor in Charlottetown? (Value=7)

7. The interest on \$265,000 for 10 days amounts to \$435.61. Find the rate. (Value=8)

8. How many strokes does a clock, which strikes the hours, strike in 13 weeks? (Value=5)

9. There are 12 rooms in a school building, each room being 32 feet long, 24 feet wide and 12 feet high. What will it cost to paint the ceilings and walls of the whole building at 18c. per square yard? (Value=8)

10. A man invested his money in a house and lot which he bought for \$7,500. He paid \$5,000 cash and assumed a mortgage for \$2,500. Find the amount of rent per month he must receive to clear 6% on his \$5,000 after deducting the following charges:

(a) Interest on the mortgage at 5%.

(b) Taxes at 32 mills on an assessment of \$6,000.

(c) Insurance at 75c per \$100 every 3 years on \$4,700.

(d) Repairs and depreciation \$153.25.

(e) As he estimates that he will lose half a month's rent each year, a charge to cover this will have to be made.

Commercial Diploma Examination

JUNE, 1946

BOOKKEEPING—GRADE X

Time—2 hours

1. This is a matching question. Each item in Column A is best described by one only, of the bookkeeping words and phrases in Column B. On your answer paper, *write the letter of each column A item, and after it the appropriate bookkeeping term*, selected from Column B.

COLUMN A

- (a) Counting and valuing the merchandise
- (b) Buying and selling
- (c) Issuing drafts on customers
- (d) Agreeing to pay drafts
- (e) Checking the accuracy of incoming invoices
- (f) Making entries in the special Cash record
- (g) Making entries on the left sides of Ledger Accounts
- (h) An action which can be taken only by the Proprietor

COLUMN B

accepting
balancing
cashing
correcting
crediting
dating
debiting
drawing
investing
invoicing
journalizing
opening
pricing
taking stock
trading
verifying

(Value = 8)

2. Below are given a number of sentences, each containing a Blank space and each followed by several words and phrases, only one of which will fill out the blank to make a true and correct statement. On your answer paper, *write the letter of the sentence followed by the number of the word or phrase which best completes it.*

- (a) The "Fundamental Equation" of bookkeeping is (). (1) debit = credit. (2) intelligence + effort = success. (3) assets = liabilities + capital. (4) Assets - liabilities = capital.

[OVER]

(b) The capital of a business is (). (1) its cash on hand. (2) Its merchandise. (3) its credit standing. (4) Its profit. (5) Its net worth to its owner.

(c) A paper which records an allowance granted in the amount of some previous transaction on account is called (). (1) An invoice. (2) A Credit Memorandum. (3) A bill. (4) A Statement. (5) An Inventory.

(d) The "Tenor" of a note or draft is (). (1) The person who is to pay it. (2) The person who made it out. (3) The date it bears. (4) Its time to run. (5) Its due date.

(e) It is the () of a draft who may expect to get the money concerned, on the due date. (1) The drawee. (2) The Endorser. (3) The maker. (4) The acceptor. (5) The Payee.

(f) A () is a paper sent to a customer to tell him what he owes to date, and how the amount was arrived at. (1) Draft. (2) Credit Memorandum. (3) Financial Statement. (4) Statement of Account. (5) Statement of Liabilities.

(g) In ledger-closing, the drawing account is usually closed into (). (1) The capital account. (2) The trading account. (3) The Profit and Loss account. (4) The merchandise inventory.

(h) The final, "Proof Trial Balance" should show the same amounts as (). (1) The Journal Totals. (2) The Profit & Loss Statement. (3) The Balance Sheet. (4) The cost & income accounts. (5) The Statement of Proprietorship.

(Value = 8)

3. From your own knowledge, give a word or phrase which will complete each of the following sentences, making them true from a bookkeeping standpoint.

(a) The length of time covered by the Financial Statements of a business is called ().

(b) Increases in liability accounts are to be recorded on the () sides of the accounts concerned.

(c) The () tests the equality of debits and credits in the ledger.

(d) "Proprietorship" is another name for the () of a business.

(e) The operation of transferring entries from Journal to Ledger is called ().

(f) A () is a book containing the accounts of a business.

(g) () is the operation which records in the ledger the costs and incomes of a period just ended, and applies their net result to capital.

(h) A bookkeeper finds that, according to his Cash Journal, the Balance of Cash is \$88.45. In real life, he would verify this amount by checking (), independently and apart from his own record. (*Value = 8*)

4. Give a suitable bookkeeping name for each of the following, and indicate whether it is Asset, Liability, Capital, Cost (Expense), or Income. (The business is a *Hardware Store*.)

(Example: 3 Hammers on hand. Ans:—Mdse. Inventory—Asset).

(a) 3 kegs of nails bought.

(b) A showcase.

(c) Truck driver's salary, paid.

(d) A bill for the transportation charge for bringing goods into our store.

(e) A promissory note owing to our business.

(f) A blow-torch returned to us by a customer, defective.

(g) Mr. Bennett, owner, reduces his investment.

(h) Money on deposit in our bank account.

(i) A debt we owe on account to the Steel Co. of Ontario.

(j) A postal money order, in our till. (*Value = 10*)

5. (a) Using a sheet of standard, centre-divided ledger paper, head up an account for *P. Bratko, 100 Newton Avenue*, and suppose it to be in the books of the business for which you work. In it, record the following: (current year).

June 1. Enter a balance of \$300.65 *against* Bratko, arising out of previous sales to her on account.

5. We receive from Bratko a cheque for \$200.00 to pay on account.

18. We sell to Bratko Invoice No. 64 of Mdse., n/30, \$80.80.

25. We send to Bratko our credit Invoice No. 64, \$10.30, covering shortage on our Invoice of June 18.

28. We receive from Bratko cash, \$50.00.

30. Balance and close the account showing the balance brought down. (*Value = 6*)

(d) Draw up a statement of Account for Bratko, at June 30. (Your business is R. S. Piper & Son.) (*Value = 3*)

6. (a) From the information given below, draw up a set of Statements for D. Friday, as at June 30th of current year, and covering the previous six months of business.

[OVER]

TRIAL BALANCE

Cash	200	
Bank	1800	
Accts. Rec.		
D. Drew	850	
B. George	550	
D. Gross	450	
Mdse. Inventory, Jan. 1		
(at cost)	8500	
Store Equipment	500	
Delivery Equipment	1200	
Accounts Pay		
W. James, Ltd.		1000
B. Kerr & Son		1050
Bills Payable		600
D. Friday, Capital		10800
D. Friday, Drawing	600	
Mdse. Sales		10000
Sales Allowances	465	
Mdse. Purchases	6000	
Advertising	330	
Salaries	900	
Insurance	100	
Rent	600	
General Expense	405	
	23450	23450

Mdse. Inventory at June 30, \$8400.

MARKS: Part A — Profit and Loss 12, Balance Sheet 5, Anal. of Cap. 3
 PART B: 2 — Total 22

(b) By what check can you judge whether or not the statements you have made from the above Trial Balance are likely correct?

7. Head up following books for *Kieth Ogilvie*, proprietor of a Hardware and Builders' Supply Business in Ottawa, Ont. :

Cash Journal, with columns for Cash and Bank
 Simple Sales Journal
 Simple Purchase Journal (Ledgers NOT required,
 General Journal as NO POSTING is to be done)

Record following :—(Current Year)

June 1. Balances :—Cash on hand, \$200 ; on Deposit \$1000.

[SEE PAGE 5]

1. Bought from P. Roberts, Perth, Invoice No. 45 of Merchandise, \$280, n/20.
3. Received from Rogers Steel, Ltd., of Montreal, Invoice No. 847 of goods recently ordered from them, \$200.n/30.
3. Sent cheque No. 76 to Riley Realty for June rent, \$80.
3. Sent cheque No. 77 to Canada Tar Co., Montreal, \$95, in full settlement of their account.
4. Sold Invoice No. 951 of Merchandise to Arch Builders, Ltd., 867 Bank St., \$885.50. — Terms, subject to draft at 30 days.
4. Received a cheque from A. Carpenter for \$40, to apply on account.
4. Drew on Arch Builders Ltd., at 30 days date, for \$885.50.
6. Cash Sales to Date, \$251.10.
6. Deposited \$250.
8. Received goods purchased, according to following invoices — From T. Walker, Kingston, \$115., n/20. (Invoice No. 746) from W. Stephens, Ottawa, \$155.20, n/30. (Invoice No. 33).
10. Returned goods to W. Stephens, not as ordered, and received credit note No. 33, \$15.40.
15. Balance the cash journal and bring down balances.
17. K. Ogilvie, owner, took \$30 cash for personal use.
19. Received from P. Eubank a cheque for \$40 to settle his note in our favour, due to-day.
20. Sold goods as follows: to B. Campbell, 62 Carling Avenue, Invoice No. 952, \$65.40, terms, 10 days, to H. Dawson, 1110 Rideau Street, Invoice No. 953, \$44.60, n/20.
20. Sent our 20 day note, dated June 8, to T. Walker, \$115, on account.
24. Bought new adding machine for cheque No. 78, \$160.
24. Sent cheque No. 79 to W. Stephens on account, \$50.
25. Paid in cash \$8.20 freight on incoming merchandise.
25. Cash Sales to date, \$230.
28. Deposited \$150.
30. Paid Clerk's salary, \$150, in cash.
30. Close the Journals, bringing down balances where proper.

MARKS: Cash Journal 20, Sales Journal 4, Purchase Journal 5, General Journal 6. Total 35

Commercial Diploma Examination

JUNE, 1946

SPELLING—GRADE X

INSTRUCTIONS :

Dictation time—45 minutes.

Total marks—100. Deduct 3 marks for each error.

In dictating, give the meaning of each word in A or illustrate its meaning by using it in a sentence ; re-read all words and sentences before the papers are collected.

A

acceptable	benefited	imaginable
development	coupon	gauge
nickel	amateur	omission
simultaneous	percentage	reference
admittance	franchise	commission
surplus	government	chauffeur
dissimilarity	exchangeable	independent
proceed	dictionary	eminent
transferred	pronunciation	mercantile
all right	supplementary	reciprocity
legislate	suffrage	statute
interference	attorney	precede
formidable	currency	exorbitant
circumference	eliminate	promoter
currency	indispensable	superintendent
supervisor	occurred	competitive
remittance	perceptible	congested
regrettable	agreeable	ninety
apparatus	allotted	schedule
deferred	auxiliary	immigrate
amendment	biennial	vacuum
accommodate	by-law	privilege
advisory	inflammation	purify
boundary	municipal	divisible
forty	occurrence	councillor

[OVER]

B

1. The principal stated that his principles would not allow him to canvass for the enterprise.
2. The same man can be an emigrant from one country and an immigrant to another.
3. The firm deals in stationery and other office supplies.
4. A minor has not the privilege of the franchise.
5. His advice to the defendant was to secure a good counsel.
6. " Practise what you preach " is an old saying.
7. Disburse your money ; do not disperse it.
8. You can save your soul but not your sole.

Commercial Diploma Examination

JUNE, 1946

STENOGRAPHY — GRADE X

N. B. Before dictating this paper, the presiding teacher should explain the following conditions carefully to the candidates:

- (1) This examination in stenography consists of two parts, Part A and Part B. Both of these parts are to be written in shorthand from dictation.
- (2) Part A will be marked according to the correctness of the shorthand outlines. No transcript is to be made.
- (3) Part B will be marked according to the correctness of the transcript. The shorthand notes must accompany the transcript.

PART A

INSTRUCTIONS: Value for each sentence, 10 marks. Deduct one mark for each error in outline, one-half mark for incorrect position. Maximum deduction, one mark for each word. Dictate each of the following sentences once only in $1\frac{1}{2}$ minutes. Allow one-half minute interval after each sentence.

1. A student's success depends almost entirely upon his own efforts. If you count on luck, you will usually find that she is against you.

2. Your attention is called to the fact that these are the final examinations. Listen carefully to the dictation.

3. The discount offered was only two percent. Your account was overdue, so we cannot give you the usual cash terms.

4. It will be an advantage to buy from your representative now instead of waiting for later spring deliveries.

5. We travelled all the way in one afternoon and arrived at the hotel in time for dinner at seven.

6. Your office staff is smaller than ours, and we think this machine will be satisfactory for your purpose.

7. We will have the standard type of roller installed if you will give us detailed information on the enclosed card.

8. His attitude illustrates the importance once again of having a definite understanding with a customer as to quality and quantity.

[OVER]

9. Many young people take evening lessons in typewriting every winter, and some become skilled operators.

10. I am confident a considerable number can be secured, and I shall comply with your request to complete the survey before September.

PART B

INSTRUCTIONS : Read each group of words as indicated, in 15 seconds.

Letters 1 and 2 are to be dictated at 40 w.p.m., letter 3 at 50 w.p.m., and letter 4 at 60 w.p.m. Allow one minute interval after each letter, five minutes for revision of notes, and thirty minutes for transcription.

(Value : 25 marks for each letter.)

1. Dear Sir :

We have just checked our charge accounts and / find that you have not purchased anything for over a / year. We are anxious to know whether this is our / fault.

We carry only the best lines, and our clerks / try to give the best in personal attention.

Kindly let / us know what you think of our merchandise and our / services. We want to satisfy.

Yours truly (67)

2. Dear Miss Smith :

In response to your letter asking for / information about camp dates for high school girls, we are / enclosing our regular bulletin.

You told us last summer that / you hoped to spend the early part of your holiday / with us this year, and we wish you to know / how happy we shall be to have you.

We would / advise you to register at once as applications are beginning / to come in.

Sincerely yours, (75)

3. Dear Mr. Davis :

A number of new books have been placed on the / special list. The official supply list with prices will be mailed as / soon as it is received from the printers, but that may be too / late for your Friday sale.

May we suggest, therefore, that you file / this letter and the enclosed sheets for reference in case the official lists / are delayed.

Yours truly, (67)

4. Dear Sir :

Following your request, I am mailing a bill for the copies which you / have already received. I am also enclosing some special stamped return envelopes. Please use one / of these each month in sending your remittance.

If you remit by cheque, be sure / to make it payable to Mr. Charles R. Smith.

Thank you for the interest you / have shown.

Yours truly, (63)

Commercial Diploma Examination

JUNE, 1946

TYPEWRITING—GRADE X

INSTRUCTIONS: Allow $1\frac{1}{2}$ hours for this paper, accuracy test included.

In marking questions 1, 2, and 3, deduct 2 marks for each error or careless erasure.

1. Type the following letter, which has been dictated to you by Mr. J. L. Fraser, Secretary, Acme Fire Insurance Co.

Use single spacing.

Block the address and closing.

Indent for paragraphs.

Miss Marion Greene, 1215, Collegeview Avenue, Vancouver B.C.

Dear Miss Greene:

Re Fire Insurance Policy No. 36927

Mr. P. T. Rogers, who is no longer a licensed insurance agent, has transferred his business to us. Your policy, which covers \$3,000 on the household furniture at the above address, will expire on June 25th next.

Since your recent change of address, the rate of premium has been reduced. Therefore, the renewal of this policy for the next three years will cost you only \$28.40.

We would very much appreciate receiving this renewal, and we enclose a stamped, addressed envelope for your convenience is replying.

May we hear from you as soon as possible? Very Truly
yours, (Value = 25)

2. Set up the following on a sheet of paper $8\frac{1}{2} \times 5\frac{1}{2}$, using a 50-stroke line, so that names of the conferences begin at the left margin and the dates of the conferences end at the right margin.

ANGLO-AMERICAN WAR CONFERENCES

1941 to 1943

Atlantic, August 14, 1941

Washington, December 22-28, 1941

Washington, June 18, 1942

Casablanca, January 14-24, 1943

Washington, May 11, 1943

Quebec, August 10-24, 1943

Cairo, Novembr 22-26, 1943

(Value = 15)

[OVER]

3. On paper of a suitable size, set up the following statistical table, using proper placement :

MOTOR VEHICLES REGISTERED IN CANADA
YEAR 1945

Prince Edward Island.....	7,537
Nova Scotia.....	58,872
New Brunswick.....	37,758
Quebec.....	222,622
Ontario.....	715,380
Manitoba.....	93,147
Saskatchewan.....	130,040
Alberta.....	125,482
British Columbia.....	132,893
Total.....	1,523,731

(*Value = 20*)

4. Speed and Accuracy Test—10 minutes. Marking—Give four marks for every 40 net words typed for classes with two years of typewriting, and four marks for every 30 net words typed for classes with one years of typewriting, less one mark for each error.

(*Value = 40*)

Strokes

Strangely enough, we are going to talk about Christmas	55
packages in June—and in connection with a discussion of	112
employment interviews. If people would take as much	165
care in presenting themselves for an employment inter-	220
view as they do in wrapping Christmas packages, then	273
their chances for success would be much greater. In	326
wrapping Christmas presents, you select from all	375
available wrappings those that suit best the recipient of	433
the gift. When considering appearance in connection	486
with your job interview, you must not only know the	538
general rules for becoming attire, but you must also	591
consider the likes and dislikes of the person you wish to	649
impress. There is a generally accepted employment	700
interview costume—conservative, in good style, and	752
becoming to the wearer.	776

When you enter an employment office and announce	825
yourself to the receptionist, you say: " Good morning.	880
I'm Lucy Brown. May I place an application for	928

employment with your company?" These are the words 980
 you say, but the receptionist hears much more. She 1032
 hears the tone and quality of your voice. She can judge 1089
 your spirit and interest in living from the "colour" of 1145
 your voice. She can tell the degree of poise and self- 1201
 confidence you possess. And your manner of speech— 1254
 the grammar, choice of words, and what you say—give 1307
 a very clear picture of your culture, refinement, and 1361
 social background. Don't let your voice and manner of 1416
 speaking spoil your chances for a successful interview. 1472

Speaking again of Christmas presents, wouldn't it be 1525
 rather foolish to send an adult's gift to a child? That's 1574
 the way it is in an interview—you must match what you 1639
 have to offer to existing needs. One applicant—an 1691
 expert Comptometer operator—obtained a letter of 1741
 introduction to the employment manager of the stock 1793
 exchange in a large city. She was greatly embarrassed 1848
 when the employment manager told her that his company 1902
 did not employ even one Comptometer operator. Both 1954
 the applicant and interviewer had wasted valuable time, 2010
 because the applicant was trying to sell something for 2065
 which the employer had no use. 2096

When you are applying for a job, you want to be sure 2149
 that the employer knows that you are well qualified for 2205
 office work. If you have particular abilities or aptitudes, 2266
 you will make yourself more attractive to the employer. 2317
 For example, a well-trained stenographer is valuable in 2368
 the office of a hospital, but one who is familiar with 2423
 medical terminology is even more valuable. A typist 2476
 who can say that she can not only cut stencils rapidly 2531
 and accurately, but can also do art work on stencils has 2588
 a powerful selling point when applying for a job with an 2645
 advertising firm or a firm that uses illustrated duplicated 2705
 material. 2715

Another good talking point for applicants is the 2764
 possession of an excellent command of the English 2814
 language, especially written English. The art of a 2866
 composition is not a widely spread talent among office 2921
 workers. 2930

A neatly typed data sheet always makes a good 2976
 impression on the employer. It tells him at a glance 3030
 all about your personal history, education, experience, 3085
 miscellaneous qualifications, and references. A binder 3141

[OVER]

containing certificates, awards, and specimens of work 3196
you have done will interest the employer and will supply 3253
an excellent topic of conversation. 3289

Try not to let the employment tests frighten you. A 3342
good office worker considers everything he does as a test 3400
of his ability, and is never satisfied with anything less 3458
than perfect performance. The employer is interested 3512
in learning what he can expect of you when you are on 3566
the job. Call on every ounce of poise and self-control 3622
that you have, so that your employment test will be a 3676
demonstration of your real ability to do the work that 3731
will be required on the job. 3760

Don't try to be someone else. Be yourself. Let your 3814
whole manner of behaviour and speech tell the employer 3869
that you are sincere in your desire to work for him and 3925
that, once employed, you will make him proud of you as 3980
a member of his organization. 4010

Commercial Diploma Examination

JUNE, 1946

ARITHMETIC—GRADE XI

Time—2 hours

NOTE. *Seven questions constitute a full paper.*

VALUES

- 14 1. The price at the mines of Welsh coal is £1 13s. 4d. per ton and transportation from Wales costs an Ontario dealer \$7.60 a ton. If Sterling exchange is at \$4.12, for how much a ton must a dealer sell the coal to his Ontario customers in order to make a profit of $12\frac{1}{2}\%$ on the gross cost?
- 15 2. Brosey and Hull are partners with capital investments of \$12,000 and \$8,000, respectively. Their agreement provides that each partner shall receive interest on his capital, at a rate of $5\frac{1}{2}\%$ per annum and that the remainder of the net profit shall be divided in proportion to their capital investment. How would an annual net profit of \$5,214.21 be divided between them?
- 14 3. A ninety-day note for \$275.50, bearing interest at 5% per annum and dated March 17, 1945, is discounted on April 6, 1945 at $5\frac{1}{2}\%$ per annum. What are the proceeds?
- 15 4. On November 7, 1945, G. E. Arnold purchased a used car for \$960. He paid \$300 cash and agreed to pay interest at 5% per annum on the unpaid balance. He made the following payments: December 12, 1945, \$125; March 15, 1946, \$5; April 29, 1946, \$75. How much did he still owe on June 15, 1946?
- 14 5. The Anglo Italian Fruit Co. purchased 120 barrels of apples at \$5.00 per barrel. Five barrels decayed. At what price per barrel must they sell the remaining apples to gain 10% on sales if the cost of doing business is 15% of sales.

[OVER]

VALUES

- 14 6. A building valued at \$10,000 is insured for \$5,000 with a policy containing an 80% co-insurance clause. A fire damages the building to the extent of \$4,000.

(a) If the rate is 65c. on \$100, what will be the premium?

(b) What portion of the loss will the company pay?

- 14 7. A merchant employed an agent to buy apples on a commission of 2%. The merchant paid 10c. a barrel for freight, 2c. a barrel for storage and sold for \$8.10 a barrel, making a profit of 20% on the gross cost. What did the agent pay per barrel for the apples?

- 14 8. (a) Find the difference between the simple and compound interest, compounded yearly, on \$375 for 3 years at 8% per annum.

(b) What is the better buy, sugar at \$8.00 a bag on 6 mos. credit, or \$7.85 cash, money being worth 6% per annum?

- 14 9. The annual cost of local improvements on Maple Street is \$3750. One half of this is paid by the town of Elm Grove, which has an assessment of \$2,250,000.

(a) What tax will be paid by the owner of a property assessed at \$4500?

(b) If the street is 275 yards long and the other half of the cost is in proportion to the frontage, what will be the tax paid by the owner of the property on a frontage of 33 ft.?

- 14 10. A bookseller marks his books at a price such that he may give discounts of 20% and $16\frac{2}{3}\%$, and still make a profit of 25% on his cost price. What was the marked price and the cost price of a book which he sold for \$2.00?

Commercial Diploma Examination

JUNE, 1946

BOOKKEEPING—GRADE XI

Time—2½ hours

1. (a) In taking a trial balance from the ledger the bookkeeper discovers that the debits do not equal the credits. Describe the steps which the bookkeeper should take to locate the error.

(b) What type of error will not be disclosed in the trial balance ?
(Value, $5 + 4 = 9$)

2. (a) Explain the method of handling petty cash by the impressed system.

(b) During the month of May the following payments have been made from the Petty Cash Fund: Telegrams \$3.50; Carfare \$2.00; Office Supplies \$10.00; Withdrawals for private use by the proprietor \$25.00. Make the Cash Journal entry which is necessary to replenish the fund bringing it up to its original amount, \$50.00.
(Value, $5 + 5 = 10$)

3. J. M. Whiteside owes me \$420.00 for goods sold him on terms 2/10, n/30. I draw a draft on him at 10 days, which he accepts. I discount this draft at the bank, discount charged \$3.00, and proceeds left on deposit. On the due date the draft is dishonoured. Make General Journal entries to represent the above transactions.
(Value, $3 \times 4 = 12$)

4. (a) Name 3 methods of estimating the amount of probable bad debts for a year.

(b) The trial balance for the Canadian Manufacturing Company on December 31, 1943 was in part as follows: Accounts Receivable, \$32,000; Reserve for Bad Debts \$800; Bad Debts \$900. Make the necessary entries to show the reserve for bad debts for 1944 built up to 3% of the accounts receivable.

(c) If no debts were written off as bad, and no reserve for bad debts set up, what effect would this have in regard to showing the true financial position of the business?

(Values, $3 + 10 + 3 = 16$)

[OVER]

5. The following accounts are taken from the ledger of R. F. Merrill, at the time his books are closed on December 31, 1944.

Merchandise Inventory		Purchases	
1944 Jan. 1	60,000	1944 Dec. 31	180,000
Sales		Insurance	
	1944 Jan. 1 186,000	1944 Jan. 1.	600
Equipment		Reserve for Depreciation on Equipment	
1942 Jan. 1,	120,000	1942 Dec. 31	12,000
		1943 Dec. 31	12,000
Salaries		Advertising	
1944 Dec. 31	11,200	1944 Dec. 31	800

Inventories, December 31, 1944 -- Merchandise Inventory, \$64,800; Insurance unexpired, \$400; Salaries due and unpaid, \$450; Advertising prepaid, \$130; Machinery has depreciated \$12,000 during the year 1944.

Copy the above ledger accounts; make journal entries to make the proper adjustments; post the journal entries to these ledger accounts and open any other accounts that are necessary. Make the closing entries and post.

Values - Adjusting entries $5 \times 3 = 15$ - Closing entries $6 \times 3 = 18$ - Total 33

6. The books of T. C. Smith show the following totals on December 31, 1944:

Sales Journal.....	\$21510.35
Sales Returns and Allowances.....	185.00
Purchases Returns and Allowances..	310.00
Cash Journal:	
Accounts Receivable Cr.....	3840.00 (net)
Discount off Sales.....	130.00
Discount off Purchases.....	410.00
Accounts Payable Dr.....	5620.00 (net)
Purchase Journal.....	12625.00
Bills Receivable Journal	
Face Value Column.....	8300.00
Discount off Sales Column.....	125.00
Accounts Receivable Column....	8425.00
Bills Payable Journal	
Face Value Column.....	4816.00
Discount off Purchases.....	110.00
Accounts Payable Column.....	4926.00

Set up in the General Ledger the controlling accounts for the Accounts Receivable and Accounts Payable Ledgers, the old Balances in these accounts being respectively, \$863.40 and \$1917.47.

Values, $10 + 10 = 20$

Total 100

Commercial Diploma Examination

JUNE, 1946

BUSINESS CORRESPONDENCE—GRADE XI

Time—2 hours

VALUES

- 15 1. The following sentences have been dictated to you in connection with business letters. Write them as they should appear.
- (1) They will be permitted to charge ten dollars worth of merchandise to the proprietors account
- (2) Send our orders immediately we cannot wait any longer.
- (3) Every size and practically every colour is available juniors misses womens 11 to 46 16½ to 26½.
- (4) Trains arrive from Toronto at the local station as follows 910 am 1150 am 720 am
- (5) We appreciate your order and we hope that you will let us supply the paint varnish and enamel in 5 pound tins our terms are 2 per cent 10 days net 30 days.
- (6) We quote thirty-six pieces of very pretty hand blocked english chintzes at 54 cents a yard also extra quality upholstery fabrics the majority striped antique finish at ninety eight cents a yard
- 10 2. Use the following words correctly in sentences that might appear in business letters:
- Accede, allusion, fraudulent, quota, tare, site, affect, formally, personnel, counsel.
- 20 3. As secretary of your class or club write to John Smith, Limited, caterers of your town or city, requesting a quotation for a banquet that your organization intends to give at your school or club rooms. State the number of guests that you expect to serve; give an indication of the menu that you wish served, and give any other pertinent information that will enable John Smith, Limited to give you a prompt and accurate quotation.

[OVER]

VALUES

15

4. The secretary of the public speaking club of a neighbouring school has written to you, as secretary of the public speaking club of your school, challenging your club to a debate on either of the resolutions, "Resolved that preparation for war is the best means of assuring peace", or "Resolved that the age for provincial and dominion franchise should be lowered to eighteen years". Write a letter expressing your appreciation of their invitation, accepting their challenge, and stating your club's preference as to date and resolution for the debate.

20

5. As a clerk in the firm of Watson and Walker, stationers in your town, order by letter from Fulton and Strong, Guelph, Ontario, the following articles, on terms 2/10, n/30 days: 6M no. 291 legal envelopes @ \$26.50, 18 gross no. 190 memo books @ \$9.75, 8M no. 280 Legal flat envelopes @ \$24.25. Be sure that the body of the letter is set up correctly.

20

6. Ten days ago you purchased a reconditioned typewriter from the Reliable Typewriter Company, London, Ontario, as a result of this company's advertising in your school magazine. The typewriter gave reasonable service for one week only. The best local repair shop has quoted you a price of \$8.50 for making the necessary repairs. Write to the Reliable Typewriter Company, explaining exactly what is wrong with the typewriter and suggesting what you think would be a reasonable adjustment. Direct your letter to the attention of the adjustment department.

Commercial Diploma Examination

JUNE, 1946

BUSINESS LAW—GRADE XI

Time—2 hours

I. Answer each of these questions by writing Yes or No in the bracket provided.

(Value, $40 \times 1\frac{1}{4}$)

- () 1. If a person commits a wrong without knowing it is wrong, does the law hold him responsible?
- () 2. A person under the age of twenty-one is considered an infant in law. Is a minor the same as an infant?
- () 3. A gives B a note promising to give him certain goods at a fixed time. Is this a negotiable instrument?
- () 4. Do most business contracts result from simple, unwritten agreements?
- () 5. Does the bank that certifies a cheque assume absolute liability for the payment of the cheque?
- () 6. Is a person who has altered a business paper with intent to defraud guilty of fraud?
- () 7. The amount on the face of a cheque was raised. Is this considered to be forgery?
- () 8. Does a citizen have a right to appoint an agent to vote for him at an annual election?
- () 9. Is an employer liable for dishonest acts of his employees?
- () 10. Davis owed Peck \$100 because he lost a bet on a prize fight. If Davis fails to pay the debt, can he be sued by Peck?
- () 11. Ross sold 100 acres of land to Ditters. If oil is discovered on the land a short time after the sale, may Ross have the sale set aside and regain possession of the land?
- () 12. A person calls for bids for work to be done. Must he give the work to the contractor submitting the lowest bid?
- () 13. Is a dollar bill an example of a promissory note?
- () 14. May a note that is written in pencil be transferred to a third party?
- () 15. Is a lawyer considered to be an agent of his clients?

[OVER]

- () 16. A person acted as agent for the two parties to a contract with their knowledge. Is he entitled to receive compensation from each?
- () 17. A golfer looked for a ball that had fallen on Graham's land. Was the golfer guilty of the tort of trespass?
- () 18. A contract was made and dated July 4, to be performed in thirty days. Was this contract legal and enforceable?
- () 19. May a graduate of a medical college collect for services rendered before he is licensed to practice medicine?
- () 20. A man used several articles that had been delivered to him by mistake. Must he pay for them?
- () 21. A merchant stated that his prices were the lowest in town. May a customer who relied on his statement and made a purchase return the articles and get his money back, if he learns later that the goods were selling at a lower price elsewhere?
- () 22. A bank paid a cheque after being ordered by the depositor to stop payment on it. Is the bank liable to the depositor for the amount paid out?
- () 23. May indorsements be made with a rubber stamp?
- () 24. May a person under twenty-one years of age be an agent?
- () 25. May an agreement resulting in the creation of an agency be made orally?
- () 26. Does the death or insanity of one of the parties automatically dissolve a contract?
- () 27. Are growing trees considered to be part of realty?
- () 28. Is a person against whom a charge is brought called the plaintiff?
- () 29. Is the Federal Constitution the highest law of each state?
- () 30. Flint circulated false reports about Baker's business dealings, injuring his reputation. Was Flint guilty of the tort of libel?
- () 31. Cabot accidentally pushed a flower pot off the ledge of his window, thus injuring a passerby. Was he guilty of negligence?
- () 32. A witness was ordered to appear in court to testify at a trial. He refused to do so. Can he be held in contempt of court?
- () 33. A minor made a contract with an adult. Is the contract voidable at the option of the adult?

- () 34. Stuart, nineteen years of age, was married. Can he be sued for necessities supplied his wife, if he refuses to pay for them?
- () 35. A minor made false statements in writing about a merchant. The statements injured the merchant's reputation. Can the minor be held for money damages?
- () 36. Does the acceptance by a customer of the prices quoted in a newspaper advertisement result in a contract?
- () 37. May a written promise to donate money to a charitable institution be enforced?
- () 38. A man presented a valuable gift to a friend. Later he had a change of heart and demanded the return of the gift, claiming lack of consideration. May he recover the gift?
- () 39. One of the parties to a contract promised to pay the other party more than had been originally agreed on between them for carrying out his uncompleted contract. Is this promise enforceable?
- () 40. Clark brought suit against Darwin for breach of contract. Darwin offered Clark \$100 if he would withdraw the suit. Does an enforceable agreement result?

(Value, $10 \times 5 = 50$)

II. Read the following problems and give answers with reasons:

1. P offers to sell one of his cars to R, pointing to the car he intends selling and naming the price of \$900. R accepts the offer. P then discovers that he pointed to the car that he did not intend selling. He therefore refuses to deliver the car to R, and R then sues him.

2. The A Publishing Company agreed to buy and the C Paper Company to sell 2,000 tons of paper a month for fifteen months, beginning March 1. The price was fixed for the first five months, after which the price was to be agreed on from time to time, such prices not to be higher than the contract price charged by the C Paper Company. At the end of the five-month period, the C Paper Company refused to deliver any paper, claiming the contract to be imperfect.

3. The town of X advertised for contractors to undertake the construction of a schoolhouse. One contractor, D, received a telegram from town X: "You are a low bidder. Come to town at once." D arrived, and after a conference learned that the contract was awarded to F. D then sued the town of X, pleading that he had accepted their offer.

[OVER]

4. A writes B, making an offer to sell goods at a fixed price. B accepts the offer immediately. He then changes his mind and sends a rejection of the offer by telegram. This telegram is received before the letter of acceptance. A, upon receipt of the acceptance, delivers to B, who refuses to accept the goods. A sues B for breach of contract.

5. F, twenty years of age, contracted with the X Publishing Company to buy a set of encyclopedias for \$150 on the installment plan. At the time of the contract, F had misrepresented by stating that he was twenty-one years of age, and thereby induced the X Publishing Company to sell to him. Upon arriving at the age of twenty-one, however, he avoided the contract by disaffirmance, pleading infancy.

6. S made an agreement with R, an agent for the F store, whereby R was to receive 6 per cent of the purchase price of goods that he bought from S for the F Store. R bought goods, which were delivered to the F Store. The F Store then refused to pay for them.

7. R, an employee, was injured on the highways by a private bus. X, an agent of the company, while R was still ill, offered a small sum of money and got R to sign a release on the ground that it was a receipt for wages. Later R started proceedings to recover damages against the bus company.

8. R, together with others, signed a subscription blank promising to pay \$500 to the W Church for the purpose of making alterations on the church on condition that within one year from date the sum of \$50,000 would be subscribed and paid. The subscription read: "In consideration of \$1 to us in hand paid, etc." W Church sued R, who refused to carry out his promise.

9. A contracted verbally with B to buy a plot of land and paid a deposit. Later he cancels the agreement and sues to get his money back. Can he succeed and why?

10. C sells R an electric refrigerator for \$375 and installs it in R's home. Two weeks later C says to R: "That is an excellent refrigerator; the enamel on it will not discolor in five years." One year later the refrigerator discolored, and R sued C for breach of warranty.

Commercial Diploma Examination

JUNE, 1946

ECONOMICS—GRADES XI AND XII

Time—2½ hours

INSTRUCTIONS :

Grade XI students will answer questions 1 to 8, inclusive, and question 14.

Grade XII students will answer questions 1 to 14, inclusive.

VALUES

- 8 1. (a) Describe briefly how each of the following has added to the complexity of modern economic life: (i) a large cold storage plant (ii) a factory in your community (iii) a great transcontinental railway (iv) a highpowered radio station.
- 2 (b) How can each individual citizen aid in having a complicated economic system produce goods and services effectively?
- 3 (c) How should the study of economics help in accomplishing each of the following: (i) human welfare (ii) a broader culture (iii) international good-will.
- 3 2. (a) How does each of the following create human wants: (i) social customs (ii) advertising (iii) education
- 3 (b) Name and explain three other origins of human wants.
- 5 (c) Name five factors which affect Density of Population and Standard of Living. Apply each of these briefly to the northeastern part of the United States in regards to these two things.
- 2 3. (a) Explain the method of measuring production by physical units and give one disadvantage.
- 2 (b) Explain the method of measuring production by price and give one disadvantage.
- 4 (c) Explain the method of measuring production by index numbers, and give three ways in which they are useful for purposes of comparison.

[OVER]

VALUES

- 2 (d) What kind of a graph would you use in comparing Canadian immigration and emigration? Why?
- 4 4. (a) Land, capital, labour and the entrepreneur are the four factors in production. Define each.
- 3 (b) Name and explain three advantages that the single proprietor can claim for himself over any other entrepreneur.
- 3 (c) Explain fully three reasons for decrease in the partnership as a type of entrepreneur.
- 6 (d) The co-operative firm is a comparatively new entrepreneur. Explain your opinion regarding its ownership, mangement, and distribution of profits, stating reasons in each case.
- 10 4. Explain any ten of the following terms regarding the joint stock company: (i) legal entity, (ii) limited liability, (iii) artificial peron, (iv) charter, (v) bondholders, (vi) general meetings, (vii) shareholder's votes, (viii) shareholder's proxy, (ix) by-laws, (x) directors, (xi) president, (xii) continuous existence.
- 2 6. (a) Give two functions of gold bullion as money.
- 1 (b) Why is most of our coinage subsidiary ?
- 1 (c) Why is currency called credit money ?
- 2 (d) Distinguish between the use of Commercial Bank Currency and Bank of Canada Currency.
- 2 (e) Describe the two main purposes of commercial banking.
- 2 (f) Give two arguments in favour of our Canadian branch banking system.
- 4 7. (a) Distinguish between: (i) " Value in Use " and " Value in Exchange " (ii) Value and Price.
- 2 (b) Explain the term " World Market " and show how World Market Price may exist.
- 4 (c) Give the main feature of each of the following: (i) a commodity market, (ii) a stock market, (iii) a bond market, (iv) a money market.
- 5 8. (a) Describe the formation of the C. N. R. and trace its history briefly. Show some of its attainments and difficulties.
- 5 (b) What is Canada's policy regarding new roads and airways? Discuss Canada's transportation problems briefly.

VALUES

- 6 9. (a) Describe fully the origin of : (i) the bank draft,
(ii) government currency.
- 3 (b) Why are bank deposits credit money ? Describe two ways in which a bank makes these secure.
- 5 (c) Why is a bond a credit paper ? Describe fully the process by which a company issues and makes secure its bonds.
- 5 10. (a) Define : (i) nominal wages, (ii) real wages,
(iii) honoraria (iv) wages in kind, (v) bonuses.
- 1 (b) Do you consider labour to be a commodity ? Why or why not ?
- 4 (c) Explain (i) wages-fund theory, (ii) Iron Law of Wages, (iii) residual theory of wages. Which of these do you consider to be best and why ? If you disagree with all three, what other theory would you offer ?
- 3 11. (a) Discuss Tariffs under : (i) protective, (ii) revenue (iii) against dumping.
- 6 (b) What part do tariffs play in causing depressions ? Describe fully any other two causes of depressions.
- 4 (c) Name two other periods of the business cycle and describe two characteristics of each.
- 3 12. (a) Describe three invisible items which have made Britain's balance of foreign trade favourable.
- 4 (b) When is an invisible item of foreign trade classified as an import ? As an export ? Illustrate your answer with regard to tourist expenditures and immigration remittances.
- (c) Explain the following terms : (i) specific duties, (ii) reciprocal duties, (iii) cable transfers, (iv) imperial preference.
- 2 13. (a) What is the purpose of a municipal budget ?
- 3 (b) Explain briefly any three principles of taxation.
- 7 (c) Name any seven federal taxes and explain briefly the method by which each is levied.
- 10 14. Write a brief essay on one of the following:
(a) Specialization or Division of Labour.
(b) Government Industries and Institutions.
(c) Socialism.
(d) Conservation of Canada's Natural Resources.
(b) Worker' Unions of Today.

Commercial Diploma Examination

JUNE, 1946

SPELLING—GRADE XI

INSTRUCTIONS:

Dictation time—45 minutes.

Total marks—100. Deduct 3 marks for each error.

In dictating, give the meaning of each word in A or illustrate its meaning by using it in a sentence; re-read all words and sentences before the papers are collected.

A

accessories	fiscal	intermittent
deficit	synthetic	subsidiary
occurrence	commission	maintenance
verbatim	simultaneous	disperse
guage	collateral	agreeable
contingencies	supplementary	propaganda
requisition	exorbitant	disbursements
avoirduois	persistence	credible
beneficiary	indispensable	procedure
supersede	pneumatic	precedents
monetary	assimilate	vacuum
accelerate	judicial	defendant
facilitate	debatable	superintendent
affiliated	eminent	affidavit
permissible	embarrass	dispel
conferred	noticeable	per cent
tariff	advisory	mercantile
combustible	humorous	muicipal
enterprise	accommodation	dissimilarity
independent	specie	dissension
dissatisfied	supervisor	ninetieth
omission	retrieve	ascension
crystallize	reference	remittance
imminent	commodities	allotted
eligibility	waive	illegible

[OVER]

B

1. When paid and cancelled, a cheque becomes a receipt.
2. Workmen are benefited and protected by the Workmen's Compensation Act.
3. Negotiable instruments are transferred by endorsement and delivery.
4. The malicious burning of another's house is known as arson.
5. It was unanimously decided to act independently in the matter.
6. The monstrous destruction of the war caused the bankruptcy of several nations.

Commercial Diploma Examination

JUNE, 1946

STENOGRAPHY—GRADE XI

PART A

Time—25 minutes

Write the outlines for the following words, short forms, contractions and phrases in the space provided :

accommodation	final arrangements.....
adjustment	friendship
architects	furniture.....
Atlantic.....	graduate
authorize.....	hardware association.....
bankers' journal.. ..	highest
business man	in fact
carefully	in our opinion....
complaints	resources
consequence	inspector
construction	institution.....
conversation	intended
coverage	introduction.....
credited.....	investigated
defective	manufacture
descriptive	mercantile
disability.....	metropolitan.....
disappointed.....	modern
eastern.....	no longer
elevator.....	operator
embarrassing.....	ordinarily
European	ownership
familiar	permanent.....

[OVER]

possesses	stranger
possibilities	stronger
preserving	students
procedure	substitute
proportions	suggestions
proud	terminal
qualifications	transcribe
reconciliation	unfortunately
rendering	urgent
in reply to your letter	universal
requisition	vacancy
self-addressed	freight charges
shareholders	prepared
significant	Vancouver
specializing	

MARKING: Allow 1 mark for each word, phrase, contraction,
or short form written correctly. Value—75 marks.

Commercial Diploma Examination

JUNE, 1946

STENOGRAPHY—GRADE XI

PART B

INSTRUCTIONS: For students taking the General Course, dictate the first three letters at 80 words per minute, and the last two letters and the article at 70 words per minute. For students taking the Secretarial Course, dictate the first three letters at 90 words per minute, and the last two letters and article at 80 words per minute. Allow a one-minute interval after each letter or article, 10 minutes for the revision of notes, checking spelling with the dictionary, punctuation, etc., and 45 minutes for transcription on the typewriter. The words are marked off in groups of ten.

1. Dear Sir:

We are sorry to learn from your recent / letter that you have not had a great deal of / satisfaction from your new radio.

From your description of the / trouble we judge that the cause of the poor reception / lies in a defective tube. The guarantee on your radio / set covers free service and free replacement of defective parts / for a period of one year. We shall therefore be / glad to have one of men look after the / trouble within the next few days. We guarantee satisfaction.

(Value = 16)

Yours / very truly, (92)

2. Dear Sir:

Just now many people appear to be anxious / to invest money. Many new stocks are being advertised at / attractive prices with a promise of very high returns.

We / are writing to all our customers to advise them not / to invest in any stock until they have looked into / the matter very carefully.

We are sending you a list / of what we have to sell. This selection has been / very carefully made, and we feel that we can safely / recommend any stock on this list.

When you have looked / it over, if you find anything that appeals to you, / we shall be very glad to receive your order.

(Value = 18)

Very truly yours, (112)

[OVER]

3. Dear Sir :

Have you ever considered the idea of Air-Conditioning your store ?

We are enclosing a circular which will bring you the latest news on the subject. It gives an estimate of the cost of installation and of keeping it in repair.

It also shows some of its advantages. / Your customers will like it, and they will take time to make more purchases. Your office girls will do more efficient work in less time. Your clerks will be more anxious to please. In fact, you will notice an improvement in every department.

We suggest that you study this circular, and whether your business is large or small, we think you should learn what air-conditioning can do for it.

(Value = 20)

Yours very truly,

(123)

4. Dear Sir :

We are glad to know that you are interested in our insurance plan and that you would like to know more about what we have to offer.

Our group was organized for the purpose of providing its members with insurance at the lowest possible cost. It operates without profit and it employs no salesmen or agents. Our policy gives more protection per dollar than that of any other organization of a similar nature.

The strength of our group is shown by its large reserve. The building up of this reserve is but one indication of the skill with which the funds have been managed by a board of interested and intelligent men.

Read the enclosed folder, and then come in and see us.

(Value = 22)

Yours truly,

(127)

5. Dear Sir :

Do you know why more than 200,000 persons read our magazine "World News" from cover to cover every week ? The reason is that it has a new way of reporting the news so that people can really understand the confusing events of the day.

Our subscribers are the leaders in every important field of endeavour. Their positions of authority demand that they think ahead and plan ahead, and that they understand what lies behind the news.

We are therefore sending you a sample copy in which / you will find many items that are of vital interest / to you in your position. You will notice the clear / explanations of what world events mean to us today and / what effect today's news will have upon tomorrow.

We know / you will enjoy our magazine.

(Value = 25)

Yours very truly, (138)

6. The amount of electricity used is usually a good indication / of general business conditions. The increase in the amount used / during recent months is a satisfactory sign. It means that / more and more people in Canada are availing themselves of / aids and comforts that science is offering us in this / electrical age. More Canadians each year are using electricity for / lighting, heating and cooking, and even in the country districts / the radio and the refrigerator are appearing in many homes. / This means that the factories are doing more work and / are using more electric power. The result is a general / improvement in business conditions all over the country.

(Value = 24)

(108)

SCALE FOR MARKING TRANSCRIPT

NOTE: *Evaluate each question as a unit, and allow a proportion of marks if the last question is unfinished.*

MAJOR ERRORS

Deduct TWO marks for each of the following:

1. Omission, addition, substitution or transposition of any word or figure (except the articles a, an, or the).
2. Misspelled word (except the transposition of letter, i.e., a typing error).
3. Gross error in punctuation (e.g., incorrect use of the apostrophe, period, question mark, etc.).

MINOR ERRORS

Deduct ONE mark for each of the following:

1. Minor errors in punctuation (e.g., comma, hyphen, etc.).
2. Incorrect use of the articles a, an, or the.
3. Change in number, tense or derivative.
4. Typing error (transposition of letters and incorrect spacing).
5. Poor erasure.
6. Incorrect syllabication.
7. Omission of capital in proper names.

Commercial Diploma Examination

JUNE, 1946

TYPEWRITING—GRADE XI

INSTRUCTIONS: Allow $1\frac{1}{2}$ hours for this paper, accuracy test included.
In marking questions 1, 2, and 3, deduct 2 marks for each error in copy and arrangement, or for careless erasure.

1. (a) Your employer Mr. J. W. Long, Manager, the Peerless Furniture Company, 37 George Street, Brockville, has dictated to you a letter addressed to Mr. R. A. Vince, 25 Bank Street, Ottawa. The material for the second page is as follows:

If you experience any further difficulty in making a satisfactory settlement with the Express Company, please to write us again.

We now feel confident that early next week we shall be able to ship you the desk which you ordered some time ago. From our factory this morning we received the following telegram: "Shipping desk AZ593 Friday next. Regret unavoidable delay."

In a recent letter you stated that you would be moving to your new office shortly. Should you desire us to express the desk there, please send us your new address on the enclosed card as soon as possible. Yours truly,

Postscript: Are you interested in new filing equipment? We have an excellent selection on hand at the present time.

Type the second page of the letter.

In the closing, include firm name, title, etc.

(b) On a sheet $8\frac{1}{2}" \times 5\frac{1}{2}"$, set up the telegram which Mr. Long received this morning from Mr. H. B. Johnson, the manager of the factory in Hespeler.

(Values 15+5)

[OVER]

2. The following weekly sales report has errors in the alphabetical arrangement of the salesmen's names. Type the corrected report on a sheet $8\frac{1}{2}'' \times 5\frac{1}{2}''$.

THE PIONEER PRODUCTS COMPANY, INC.

Weekly Report of Sales For Week Ending June 9, 1946

Name of Salesman	Total Sales for Week	Sales Returns	Net Sales
Booth, Harry	432.98	10.60	422.38
Cohen, Samuel	381.04	38.12	342.92
Laforge, Robert	296.17		296.17
MacKnight, Harold	382.09	24.18	357.91
Morin, Leo	401.96	76.04	325.92
Press, Donald	414.78	9.50	405.28
Pickett, Normann	389.43		389.43
Souza, Louis	325.84	4.00	321.84
Wreaks, James	336.26	30.50	305.76
Wilcox, John	312.17		312.17
Totals	3,672.72	192.94	3,479.78

(Value = 25)

3. Set up the following programme to make it appear as attractive as possible:

Programme

Suite Gothique Boellmann

Introduction—Choral

Menuet Gothique

Toccata

Choral Prelude—“A Rose Breaks into Bloom” Brahms

The Bells of Aberdovy J. H. Stewart

Finlandia Jean Sibelius

Intermission

Drifting Boat and Evening Chimes (Op. 12 No. 1) Egener

“Among the Pines”—Reverie (Op. 12 No. 2) Egener

Variations on Pleyel's Hymn U. C. Burnaps

“Liebestraum” (Love Song) No. 3 Franz Liszt

Toccata and Fugue in D. Minor J. S. Bach

God Save the King

(Value = 15)

4. Speed and Accuracy Test—10 minutes. Marking—Give four marks for every 50 net words typed for classes with three years of typewriting, and four marks for every 40 net words typed for classes with two year of typewriting, less one mark for each error.

(Value = 40)

Strokes

Strangely enough, we are going to talk about Christmas	55
packages in June—and in connection with a discussion of	112
employment interviews. If people would take as much	165
care in presenting themselves for an employment inter-	220
view as they do in wrapping Christmas packages, then	273
their chances for success would be much greater. In	326
wrapping Christmas presents, you select from all	375
available wrappings those that suit best the recipient of	433
the gift. When considering appearance in connection	486
with your job interview, you must not only know the	538
general rules for becoming attire, but you must also	591
consider the likes and dislikes of the person you wish to	649
impress. There is a generally accepted employment	700
interview costume—conservative, in good style, and	752
becoming to the wearer.	776

When you enter an employment office and announce	825
yourself to the receptionist, you say: “Good morning.	880
I’m Lucy Brown. May I place an application for	928
employment with your company?” These are the words	980
you say, but the receptionist hears much more. She	1032
hears the tone and quality of your voice. She can judge	1089
your spirit and interest in living from the “colour” of	1145
your voice. She can tell the degree of poise and self-	1201
confidence you possess. And your manner of speech—	1254
the grammar, choice of words, and what you say—give	1307
a very clear picture of your culture, refinement, and	1361
social background. Don’t let your voice and manner of	1416
speaking spoil your chances for a successful interview.	1472

Speaking again of Christmas presents, wouldn’t it be	1525
rather foolish to send an adult’s gift to a child? That’s	1574
the way it is in an interview—you must match what you	1639
have to offer to existing needs. One applicant—an	1691
expert Comptometer operator—obtained a letter of	1741
introduction to the employment manager of the stock	1793
exchange in a large city. She was greatly embarrassed	1848
when the employment manager told her that his company	1902
did not employ even one Comptometer operator. Both	1954

[OVER]

the applicant and interviewer had wasted valuable time, 2010
because the applicant was trying to sell something for 2065
which the employer had no use. 2096

When you are applying for a job, you want to be sure 2149
that the employer knows that you are well qualified for 2205
office work. If you have particular abilities or aptitudes, 2266
you will make yourself more attractive to the employer. 2317
For example, a well-trained stenographer is valuable in 2368
the office of a hospital, but one who is familiar with 2423
medical terminology is even more valuable. A typist 2476
who can say that she can not only cut stencils rapidly 2531
and accurately, but can also do art work on stencils has 2588
a powerful selling point when applying for a job with an 2645
advertising firm or a firm that uses illustrated duplicated 2705
material. 2715

Another good talking point for applicants is the 2764
possession of an excellent command of the English 2814
language, especially written English. The art of a 2866
composition is not a widely spread talent among office 2921
workers. 2930

A neatly typed data sheet always makes a good 2976
impression on the employer. It tells him at a glance 3030
all about your personal history, education, experience, 3085
miscellaneous qualifications, and references. A binder 3141
containing certificates, awards, and specimens of work 3196
you have done will interest the employer and will supply 3253
an excellent topic of conversation. 3289

Try not to let the employment tests frighten you. A 3342
good office worker considers everything he does as a test 3400
of his ability, and is never satisfied with anything less 3458
than perfect performance. The employer is interested 3512
in learning what he can expect of you when you are on 3566
the job. Call on every ounce of poise and self-control 3622
that you have, so that your employment test will be a 3676
demonstration of your real ability to do the work that 3731
will be required on the job. 3760

Don't try to be someone else. Be yourself. Let your 3814
whole manner of behaviour and speech tell the employer 3869
that you are sincere in your desire to work for him and 3925
that, once employed, you will make him proud of you as 3980
a member of his organization. 4010

Commercial Diploma Examination

JUNE, 1946

ACCOUNTANCY PRACTICE—GRADE XII

Time — $2\frac{1}{2}$ hours

1. From the following Trial Balance and additional facts, prepare:

- (a) Trial Balance - (Value 5)
- (b) Trading and Profit and Loss Statement - (Value 15)
- (c) Statement of proprietor's capital - (Value 5)
- (d) Balance Sheet - (Value 10)
- (e) Adjusting and closing entries - (Value 15)

L. McQuade, Trial Balance, November 30, 1936. Cash \$9,563.45; Accounts Receivable \$1,642.63; Reserve for Bad Debts \$174.10; Notes Receivable \$1,497.87; Notes Receivable Discounted \$594.00; Merchandise Inventory, October 13, 1936, \$10,500.00; Delivery Equipment \$5,000.00; Reserve for Depreciation -- Delivery Equipment \$2,000.00; Store Equipment, \$3,740.00; Reserve for Depreciation -- Store Equipment \$650.00; Accounts Payable \$6,100.00; Notes Payable \$1,250.00; Mortgage Payable (6%) \$1,000.00; L. McQuade Capital \$13,647.95; L. McQuade, Drawing \$200.00; Sales \$18,000.00; Returned Sales and Allowances \$350.00; Purchases \$8,916.20; Returned Purchases and Allowances \$265.00; Freight-In \$160.00; Freight-Out \$78.80; Salesmen's Salaries \$500.00; Advertising \$350.00; Delivery Expense \$176.00; Insurance \$280.00; Office Salaries \$375.00; Office Expense \$87.80; Collection and Exchange \$14.20; Purchase Discount \$220.00; Sales Discount \$410.00; Interest Expense \$148.00; Interest Income \$88.90.

Additional facts:

Interest collected in advance	\$ 5.20
Prepaid interest on notes payable	15.16
Accrued interest on notes receivable	31.30
Accrued interest on notes payable	8.10
Accrued wages:	
Salesmen	200.00
Deliverymen	54.00
Office clerks	125.00
Unexpired insurance	246.40
	[OVER]

A charge of $\frac{1}{2}$ of 1% of net sales is made each month as a reserve against uncollectible accounts.

The interest on the mortgage has been paid to September 1.

Annual depreciation rates are as follows:

Delivery Equipment	20%
Store Equipment	10%

The merchandise inventory on November 30 was \$5,130.00

2. Using a Columnar Cash Journal ruled as indicated, enter the following transactions:

Cash Receipts--Discount off Sales, Accounts Receivable, Notes Receivable, Interest Income, General, Interest Cost, Bank Discount, Bank Charges and Exchange, Bank.

Cheque Register--Discount off Purchases, Accounts Payable, Notes Payable, Accounts Receivable, General Dr., General Cr., Bank.

Bank Charges on cheques $\frac{1}{8}$ %, minimum 15c.

- June 1. D. Brennan began business with a capital of \$20,000 made up as follows: Stock of goods \$3,200.00; Victory Bonds \$4,500.00; Accounts Receivable \$480.00; Equipment \$2,350.00; Real Estate \$5,700.00. The balance of the investment was on deposit in the Royal Bank.
3. Paid the second instalment on his 1946 Income Taxes by cheque \$288.97. Received cheques from L. Murton to settle invoice totalling \$247.98 sent on May 27, terms 3/10, n/30; from Y. Burton in a settlement of note due to-day \$894.72 and interest \$3.90; from B. Stuart for \$274.89 to cover invoices of May 25 on which there was a discount privilege of 2/10. Exchange of $\frac{1}{8}$ % on cheques when deposited.
4. A cheque for \$75.00 for Petty Cash was issued. Sent a cheque to Townsend and Co. to pay for invoice of May 18, \$947.88 bought on terms 2/10, n/30. Bought 100-63 cent and 100-57 cent Unemployment Insurance stamps by certified cheque.
12. Our note for \$193.40 in favour of R. Hughes with interest of \$9.93 was due to-day and was paid by the bank.
15. Bought a new delivery truck and paid \$1,870.00 for it at once.

16. The new truck, purchased yesterday, was in a collision. We paid the Victoria Motors \$49.70 to put it back in A-1 condition. The bank charged our account with the second instalment of \$540.00 on our Victory Bonds.
18. We were to-day informed by the bank that the cheque in settlement of Y. Burton's note which was deposited was returned marked N.S.F. and was charged to our account.
21. To meet future payments we discounted notes held by us on L. Jackson for \$203.50 with discount of \$4.97 and on P. McMorran for \$497.88 with discount of \$9.93. Proceeds were credited.
23. A. Simpson prepaid a note held by us for \$197.00 and was allowed a discount of \$1.99.
26. Issued a cheque in payment of our account with R. Pay amounting to \$321.00 and took advantage of a $2\frac{1}{2}\%$ discount. We prepaid our note held by E. Gamble for \$203.00 and were allowed a prepayment discount of \$2.03.
- 29 The petty cashier submitted the following summary :
Office supplies \$19.80 ; General Expense \$22.90 ;
Brennan Drawing \$15.00 ; Advertising \$10.00 and
was issued a cheque to replenish.

Balance and close the Cash Book.

Entries	20 x 2	=	40
Balance and closing			<u>10</u>
			50

Commercial Diploma Examination

JUNE, 1946

ACCOUNTANCY THEORY—GRADE XII

Time—2 hours

VALUES

$$\begin{array}{l} 2+2+ \\ 6=10 \end{array}$$

1. What is the purpose in reconciling the bank account? Outline the procedure usually followed. List 6 items that would affect the reconciliation and tell how each would affect the bank balance.

$$\begin{array}{l} 3 \times 3 \\ =9 \end{array}$$

2. Distinguish between:

- a. Interest
- b. Cash Discount
- c. Bank Discount

$$\begin{array}{l} 3 \times 3 \\ =9 \end{array}$$

3. (i) What is meant by

- a. Depletion
- b. Depreciation
- c. Appreciation

3 (ii) Name one asset subject to depletion; one subject to appreciation.

3 (iii) Explain the straight line method of estimating depreciation.

$$\begin{array}{l} 3+7 \\ =10 \end{array}$$

4. What is meant by the expression "Closing the Books"? Give, in simple journal form, without using amounts, specimen closing entries for a trading partnership.

$$\begin{array}{l} 2 \times 2 \\ =4 \end{array}$$

5. (a) Name two advantages derived from the method of keeping a separate cash fund out of which all petty expenses are paid with currency.

3 (b) Give the *cash book* entry in *general journal form* when such a fund is begun.

3 (c) Give the entry in general journal form when it is necessary to replenish the fund.

2 (d) Give the entry in general journal form when it is necessary to increase the fund by \$50.00.

$$\begin{array}{l} 2+5 \\ =7 \end{array}$$

6. In one firm the payment for Insurance is charged to the Unexpired Insurance Account. The Dominion Battery Co. would charge such a payment to the Insurance expense account. Which procedure do you recommend? Give reasons.

[OVER]

VALUES

- 7 7. Give the component elements of factory cost and explain each.
- 6 8. Distinguish between the cash basis of accounting and the accrual basis of accounting.
- 22 9. Niagara Gear Co. keep separate Accounts Receivable and Accounts Payable ledgers, with controlling accounts in the General Ledger. The following transactions appear in the books for the month of May, 1946.
- | | | |
|--------|--------------------------------|---------|
| May 1. | Accounts Receivable Balances | 654,321 |
| | Accounts Payable Balances | 12,345 |
| | Cash Sales for the month | 9,876 |
| | Total credit sales for month | 234,567 |
| | Purchases on account for month | 8,765 |
| | Cash paid creditors | 6,543 |
| | Cash received from customers | 135,790 |
| | Cash paid for salaries | 2,222 |
| | Allowances made to debtors | 1,234 |
| | Commissions paid for sales | 500 |
| | Notes Payable issued | 1,470 |
| | Notes Received during month | 6,789 |
- 12 A. Show the double entry to indicate the postings to be made for each of the above items on May 31.
- 5 B. Prepare General Ledger Controlling Account for Accounts Receivable.
- 5 C. Prepare General Ledger Controlling Account for Accounts Payable.

Commercial Diploma Examination

JUNE, 1946

BUSINESS CORRESPONDENCE—GRADE XII

Time—2 hours

VALUES

15

1. The following sentences are poor in more than one respect -- punctuation, spelling, capitalization, relationship, stereotyped expressions, and arrangement. Rewrite each one correctly, making the sentence structure perfect.

(a) The national trust company is so sorry that the error was made and we will do everything possible to make satisfactory correction but your request was quite misunderstood.

(b) I the event of you being in the city please give us the honor of a personal call at which time we will be pleased to review the matter with you with a view to straightening out the many and varied difficulties and let us say that we regret the whole affair.

(c) We acknowledge receipt of your favour where you request information in respect of the eastern fruit company and in reply we would advise that while we have heard some criticism to the affect that they are expanding too rapidly we would not hesitate extending the full limit of credit if it requested accommodation.

20

2. Make a summary of the following address, reducing it to about one-quarter or one-third of its length. Give your summary a useful title. For what purpose might your summary be used?

“Too many of us spend our time wishing for a better job and doing nothing to fit ourselves for it. We think we are ambitious because we want more — but that isn't real ambition. Ambition. Ambition is the determination to do what we have to do in the best way we know how. Too many people today are thinking of what they want in relation to their jobs, and not what they have to give — of what the job owes them, and not what they owe the job. Looking ahead in business simply means having a definite objective for oneself. If you are in a legal office read books on law — get acquainted with the terms in use, even if right now you are only a junior stenographer. Three successful business women were asked their ingredients for success. The first said, ‘Hard work — that's the main thing.’ The second said, ‘Adaptability. Be ready to turn your hand to any job required of you and thus make yourself indispensable.’ The third said, ‘Integrity. Be honest with yourself and your employer.’

[OVER]

VALUES

You are not worth more to a business just because the business has put up with you for four or five years. What we must do if we are looking ahead in business is to make ourselves worth more to the firm employing us. Working instead of wishing is the key to success in business." (233 words)

- 20 3. For collection purposes your firm, the Wholesale Supply Company, Niagara Falls, uses a series of three letters. A customer of yours, Wilfred Johnston, 457 Elm Avenue, Welland, with a dependable record of purchasing from your firm for the last five years, has become delinquent. No reply has come to your formal reminders of his overdue account of \$756. You had previously sent him two statements. Out of deference to his excellent record you have allowed much leniency and longer intervals between letters. Taking these facts into consideration, write a thoroughly planned letter of collection for which you choose some appeal for greatest emphasis.
- 25 4. Consider yourself the sales manager of a firm selling one of the following: vacuum sweepers, electric irons, portable typewriters, radios, refrigerators. Keeping in mind the chief functions that a good sales letter should perform and the types of evidence that can be used as a proof of value of an article for sale, write a sales letter, selecting your own type of customer. Secure attention by the originality of your opening paragraph and choose your central selling point.
- 20 5. When you graduated from your secondary school a year ago, each member of your class promised to give \$10.00 toward a school memorial. You were appointed treasurer of the fund. This year there is to be a reunion at which time the memorial is to be presented. Write a forceful letter to the members of the class, urging the payment of their pledges.

Commercial Diploma Examination

JUNE, 1946

BUSINESS LAW, GRADE XII

Time—2 hours

I. A single word or phrase will complete each of the following statements. Write the word or the phrase that will make the statement complete and correct.

(Value, $50 \times 1 = 50$)

1. The terms of a xxx contract cannot be altered in any way.
()
2. If one of the parties to a contract is incompetent, the contract is said to be xxx at his option. ()
3. An agreement in which the terms of the contract are expressed only in spoken words in a xxx contract. ()
4. The majority of contracts in business and in private life are xxx contracts. ()
5. A scroll, a wafer, a figure made with a pen, or the letters "L.S." may be used to denote a xxx. ()
6. Every contract results from a xxx. ()
7. An agreement made in a spirit of fun or to keep a social appointment never results in a xxx. ()
8. A xxx is an agreement between competent parties to do or not to do, for a legal consideration, a particular act that is possible and is not contrary to law. ()
9. The wrongful use of power, to his personal advantage, by one person over the actions of another to whom he bears a special relationship is referred to as the exercise of xxx. ()
10. An intentional misrepresentation of a material fact, made for the purpose of inducing another person to enter into an agreement, and succeeding in so doing to his damage, constitutes xxx. ()
11. A fraudulent contract is voidable at the option of xxx.
()

[OVER]

12. A person guilty of fraud may be criminally liable for the tort of xxx. ()

13. Forcing a person to do something that he does not want to do by threatening him with physical violence constitutes xxx. ()

14. A contract resulting from an agreement made in jest is xxx. ()

15. If a mistake is made in a contract and the mistake was due to the carelessness of either party, the contract is xxx. ()

16. A contract in which one of the parties made a mistake of law is xxx. ()

17. When duress is present in a contract, the contract is xxx. ()

18. When the terms of an agreement are fully carried out as to the time specified, the place, and the conditions, the contract is said to be discharged by xxx. ()

19. If nothing is said in a contract as to the medium of payment, payment by xxx is implied. ()

20. If a third party's check is accepted by a creditor in payment of a bill and the check subsequently proves worthless, the xxx is the loses. ()

21. If, at the time an agreement is made, it is evident that it cannot be carried out, the agreement is xxx. ()

22. An announcement by a party to a contract that he does not intend to go through with it may be considered by the other party as a xxx. ()

23. A party guilty of a breach of contract may be sued by the injured party in a court of law for xxx. ()

24. A contract sometimes provides that, if the contract is breached, a fixed amount shall be paid the injured party. The amount of damages so fixed in advance is called xxx damages. ()

25. When no actual damages have been suffered in case of breach of contract, the court will sometimes award xxx damages. ()

26. A court order restraining a party from doing a certain act is called a xxx. ()

27. A statute regulating the time within which an action or a suit at law may be instituted is called xxx. ()

28. Drafts are also called xxx. ()

29. The party to whom a negotiable instrument is payable is called the xxx. ()

30. Instruments of credit made payable to "Bearer" or to "Cash" may be negotiated by xxx. ()
31. A note is negotiable if it is payable either in money or in commodities at the election of the xxx. ()
32. In case the amount of money to be paid on a negotiable instrument is stated differently in the figures and in the words, the amount expressed in xxx controls. ()
33. If a note is made out to a fictitious person, and this fact is known to the maker, the note will be considered payable to xxx. ()
34. When an instrument has been made payable to the order of a person named in the instrument, it may be negotiated by xxx. ()
35. Only when the principal debtor is in default does a xxx become liable on his contract. ()
36. A xxx is equally liable with the principal debtor on the original contract. ()
37. The person who owes the obligation under a contract of guaranty is known as the xxx. ()
38. The relation of suretyship involves xxx parties. ()
39. There are two parties to a contract of indemnity — the creditor and the xxx. ()
40. A contract of guaranty or of suretyship is enforceable only if xxx is present. ()
41. A partner who is active in the management of the business and who shares in losses and gains is known as a xxx. ()
42. A partner whose membership in the firm is known but who is not active is known as a xxx. ()
43. The agreement resulting in a partnership is usually in writing and is known as the xxx. ()
44. When a partner withdraws from a firm, the partnership is xxx. ()
45. Any money that a partner advances to the business in addition to his investment is considered a xxx. ()
46. A partnership may be dissolved by court order when a partner becomes xxx. ()
47. A partnership agreement must be in writing if the partnership is to exist for a period of more than xxx. ()
48. Each partner is a xxx for the other partners within the scope of the partnership business. ()
49. The members of a partnership are xxx liable for the debts of the business. ()
50. Unless otherwise provided in the partnership agreement, partners whose investments are not equal share profits xxx. ()

[OVER]

II. Read the following problems and give answers with reasons:

(*Value* $10 \times 5 = 50$)

1. F found that his automobile fan-wheel was defective. He orally requested H to manufacture a new fan-wheel to fit a machine that he had imported from Europe. H did as he was requested, and when he delivered the fan-wheel, F refused to accept it, claiming that the contract was for \$160 and should have been in writing, according to the Statute of Frauds.

2. A sold his business to C and made an oral agreement with him not to open a similar business in the neighbourhood for three years. A did open such a business at the end of ten months and claimed the Statute of Frauds. C claimed that the contract might be performed within the space of a year by the death of the promisor, A, and that therefore the Statute of Frauds did not apply.

3. C erected a building for S. The contract stated that in case of a dispute as to the specifications and drawings the architect was to make the decision, and his decision was to be final. C. claimed that the architect willfully and fraudulently decided against him on a certain matter. He sued to recover.

4. X, in acting for Y, an undisclosed principal, purchased some lots for Y, and gave in payment a note, made out by himself, X, to the order of the vender of the real estate. X conveyed the land to his principal, Y, and sailed for Europe. His note was dishonoured upon presentment. Later, the vender discovered that Y was the undisclosed principal and sued him on the note made by X. Judgement for whom? Why?

5. A signed a note, leaving the amount blank, with directions to the payee to fill in the amount when ascertained, but under no conditions for an amount greater than \$100. The payee filled in an amount for \$500 and negotiated it to C, a holder in due course. Upon presentment, A refused to pay it. Judgment for whom? Why?

6. Henry Alexander, a multimillionaire oil operator, was kidnaped by the James Dallington gang. He was secreted in a barn located on an abandoned farm in Texas, and Dallington held a loaded gun to Alexander's head, threatening to pull the trigger unless Alexander signed a note in the sum of \$50,000. Alexander did so. Through various devices and channels, the note was finally negotiated to a note-broker in New York City who knew nothing of the kidnaping. Upon the due date, Alexander meanwhile having been released, payment was refused. The broker brought suit to recover on the note. Judgment for whom? Why?

[SEE PAGE 5]

7. A signed a blank cheque and left it on his desk. B stole it, filled it out and negotiated it to a holder in due course, who cashed it at A's bank. Has the bank any remedy? Has A any remedy? Has the holder in due course any remedy?

8. A chef in a small hotel ordered a new electric refrigerator because the old one was unsatisfactory. Frank Bellamy, a hardware dealer in the neighbourhood, delivered the refrigerator, accepting the old one was part payment. A month later, when the bill was rendered for the balance, George Field, owner of the hotel, refused to pay.

9. Duke and Lake agreed that each would put up \$5,000; that they would organize a corporation, but pending the organization of the corporation they would go into the importing business. They placed several orders for goods to be used in the conduct of the corporate business. Before the organization of corporation Duke died, and Lake repudiated all commitments and agreements. When sued, his defense was that he and Duke had not been partners, that they had merely agreed to organize a corporation which had never been organized, and that, therefore, he could not be held liable for Duke's debts.

10. Philip Barnes, an agent, was employed by Thomas Donning to collect a claim from John Freeman. Barnes employed Charles Green to collect, and John Freeman paid Green. Barnes owed Green a sum larger than the amount collected, and took the money as a part-payment. Green did not know that Barnes was an agent for an undisclosed principal. Thomas Donning sues Charles Green to recover.

Commercial Diploma Examination

JUNE, 1946

OFFICE PRACTICE—GRADE XII

Time—2 hours

NOTE. *Part A will require the use of a typewriter.
Part B may be answered with pen and ink.*

PART A

MARKING : *Deduct 3 marks for each typing error or careless erasure and
2 marks for each other error.*

VALUES
10

1. On letter-sized paper, type the following treasurer's report in attractive style :

TREASURER'S REPORT, September 1, 1945 to August 31, 1945, *Receipts*, Balance on deposit, August 31, 1945 \$260.74; Fees of Windsor members for 1945-46, 1435.00; Fees for other members for 1945-46, 11.50; Fraternal insurance premiums 1607.51; Exchange on American money 2.55; Canteen Fund collections 242.63; Charities Fund collections 130.00; Total: \$3689.93. *Expenditures*, Fees remitted to provincial treasurer \$1004.50; Fees for provincial membership 10.00; Fraternal insurance premiums 1607.51; Canteen Fund expenditures 200.00; Donations from Charities Fund 105.00; Grants to new branches: Essex 34.70, Amhurstburg 55.00; Honorarium to secretary-treasurer 100.00; expenses of annual meeting 73.89; Expenses of executive meetings 18.45; Bank Charges 7.34; Stationery and postage 22.50; Publicity 25.00; Balance on Deposit, August 31, 1946, 426.04; Total 3689.93.

10

2. Type the following invitation in attractive centred style on a half page of letter-sized paper :

The officers and cadets of corps No. 1112 cordially invite you to the annual inspection of the cadets of the Windsor-Walkerville Vocational School to be held at Kennedy Stadium at 7:45 p.m., Tuesday, May 20. Seats will be reserved till 7:15 p.m. for those presenting invitations.

[OVER]

VALUES

- 10 3. Our customer, Mr. William C. Blakeley, 213 King Street West, Toronto, Ontario, bought \$206.43 worth of merchandise on an invoice dated June 1, 1946 and subject to terms of 3/10, n/30. It is now June 14 and no payment has been received. Your manager asks you to draw a commercial draft on Mr. Blakeley dating the draft back to the date of the invoice. Draw the draft in the name of our company, the Canadian Products Company, and ready for your Manager's signature.
- 5 4. (a) State the filing rules concerning each of the following: (i) titles of address; (ii) words such as and, of, to, in, for; (iii) 's; (iv) names composed of initials; (v) 3rd.
- 8 (b) Place the following names in alphabetic order showing each name arranged properly for filing: Dr. A. Fred Richie; Defoe-Brown Inc.; The Pithie Electric Co. Limited; P. T. A. Bus Lines Ltd.; Pithie's Dairy; Earnest Richardson Ltd.; Napoleon D'Aoust; Crayle & Crayle; Ernie Richardson; Clive Crayle.
- 3 (c) What forms are needed and what is the procedure in keeping track of papers or folders temporarily removed from a filing cabinet?
- 4 5. (a) What postage is required on (i) A typewritten letter weighing $1\frac{1}{2}$ ounces to someone in Miami, Florida? (ii) An air-mail letter weighing $\frac{3}{4}$ ounce to an addressee in Vancouver? (iii) A typewritten letter weighing 2 ounces to someone in the same city or town in which you live? (iv) a business-reply post card addressed to a company in Hamilton?
- 6 (b) Discuss registration of mail matter under the following headings: classes of mail that may be registered; purpose of registration; how registered mail is handled and cared for by the post office employees, fees for registration.
- 5 6. Mr. W. C. Walters of Toronto writes a cheque on his current account at his branch of the Dominion Bank in Toronto, making the cheque payable to Mr. Edward Gregory of London, Ontario. Mr. Gregory cashes the cheque at his bank, the Bank of Nova Scotia, London. Trace the course of the cheque until the whole transaction is completed.

VALUES

5 7. (a) How would you clean the keys of the typewriter before cutting a stencil?

(b) How long should you wait for correcting fluid to dry before typing a correction over an error?

(c) What is wrong if more than one page at a time goes through the Gestetner machine?

(d) How can you tell before "running off" a stencil whether or not it has been cut well enough to produce good copies?

(e) What is the cause of cracks appearing in a stencil while "running it off"?

8. In connection with sales orders:

3 (a) Give one duty of the pricing clerk, the credit manager, the invoice typist or billing clerk?

6 (b) What are the four main copies of an invoice and what use is made of each copy?

3 (c) Calculate the extension for: 6 doz. Pillow Cases, No. 165, @ \$2.19 less 25%, 10%.

3 (d) Explain the meaning of "S/D 10 days" when it appears beside the printed heading "Terms" on an invoice.

5 9. How would you divide each of the following at the end of a line of typewriting? Give the rule or principle involved in each case: Mr. G. C. West; illustration; readily, \$1345.79; beginning.

3 10. Where would you obtain information concerning:
(a) accounting and auditing firms with offices in Toronto;
(b) financial standing of a grocer in the town of Goderich, Ontario; (c) the names and addresses of Canadian manufacturers of stoves?

3 11. (a) Why is it better to say, "May I take a message for Mr. Wallace," than to say, "Would you mind telling me what you want?"

3 (b) What should you do in an office (i) when you find an error in your manager's dictation; (ii) when you find an error in someone else's work; (iii) when you find an error of fact in an important letter that has been mailed to a customer?

3 (c) What is meant by the telephone company's slogan, speak with a "Smile in Your Voice"?

Commercial Diploma Examination

JUNE, 1946

STENOGRAPHY—GRADE XII

INSTRUCTIONS : The letters may be set up in any approved style, on plain paper, $8\frac{1}{2}$ by 11 ; one letter to a page, complete with carbon copy. Each letter must be mailable to obtain the mark assigned. Proper erasures should be allowed. Dictionaries should be available.

Allow ten minutes for revision of notes, and forty-five minutes for transcription. For the General Course, dictate 1 & 2 at 80 w. p. m. and 3, 4 & 5 at 100 w. p. m. For the Secretarial Course dictate 1 & 2 at 100 w. p. m. and 3, 4, & 5 at 120 w. p. m. Allow $\frac{1}{2}$ minute for each address and subject line. (Spell difficult proper names.)

I

Mr. Bernard Dietz, 120 York Street, Toronto

Dear Sir :

My attention has just been called to the amount past / due on your account. As two notices of the amount / due have already been mailed to you, your failure to / make prompt payment in accordance with your purchase agreement has / probably been an oversight on your part.

We are enclosing / a stamped, self-addressed envelope for your convenience in forwarding / us a cheque for \$23.17. /

We assure you that your cheque or money order by / return mail will be greatly appreciated.

(Value = 15)

Yours very truly, (89)

II

M. Kenneth P. Childs, 483 Easton Avenue, Toronto

Dear Sir :

On behalf of the Central Oil Refining Company, I am / happy to welcome you to our organization. We are very / confident that you will be pleased with our splendid products, / as well as with our unexcelled service.

We have entered your account on our books as a charge customer, subject / to our regular terms. A statement of your account will be / mailed to you on the first of each month.

[OVER]

If / there is anything further we can do to promote our / mutual interest, please take us into your confidence and oblige / us with a personal communication. We promise our best efforts / for your future orders.

We hope that our relationship may / be so firmly built that we shall enjoy a long / association which will prove ultimately to be mutually beneficial and / pleasant.

(*Value* = 20)

Yours very truly,

(134)

III

Messrs. Jones & Snyder, 201 Proctor Street, Toronto

Gentlemen :

Subject : Order No. 4862

Thank you for your order of June 27 for / two dozen watches amount to \$125. / We shall try to handle this order in such a / way as to meet with your approval and be the / means of further extending our business relations. A generous supply / of our advertising material will be shipped with your order. /

The rules of all wholesale houses require that proper information / be secured before they extend credit. This information usually can / be obtained from references. If you will send us the / name and address of your bank, we shall make the / necessary inquiries as quickly as possible.

May we hear from / you by return mail ?

(*Value* = 20)

Very sincerely yours,

(118)

IV

Messrs. Byrnes & Carson, 204 North Street, New Westminster, B. C.

Gentlemen :

I am writing you regarding a C.O.D. shipment / which we made to you in April. This shipment has / been at the depot so long that the railroad is / insisting that we either arrange to deliver the goods to / you or have the merchandise returned.

We have written a / number of times about this matter and have received promises / from you that the shipment would be accepted, but to / date this has not been done.

We have been criticized / for trying to accommodate you. It is the policy / of the home office to have all shipments returned that / are not delivered within thirty days, and the railroad insists that / something be done at once about this shipment.

Please write / us your decision by return mail.

(*Value* = 20)

Yours truly,

(128)

Perry Products Company, 472 Main Street, Hamilton, Ontario
Gentlemen :

Subject: Office and Floor Space for Rent

Several months ago we were notified that we could not / rent additional space in the building we now occupy. After / weeks of effort we found ourselves still unable to lease / suitable space anywhere in downtown Hamilton.

This meant that we / should have to purchase some existing building or buy land / and erect our own building. We decided both to buy / and to build for our own needs, and, in making our plans, to provide space for others in the same difficulty. We have not acquired a large amount of existing / office space and also a large area of land for / the erection of new buildings.

The purpose of this letter / is to invite the co-operation of others who must secure / office space and especially of those who need a large / amount of space on a single floor.

We can provide, / alterations and enlargements, approximately 50,000 square feet by August 1, and practically unlimited space as soon as building operations are completed.

This space not only will be very / attractive but also can be had at a moderate cost / as compared with present existing prices.

Prompt action is essential. / We cannot deal with agents unless they will first disclose / the identity of their clients and can show credentials giving / them power to bind their clients without further consultation. If / the principals, however, wish to negotiate the matter with us / directly, and not through agents or subordinates, we will give / all information and allow as much time for decision as / circumstances will permit.

Kindly communicate with Mr. L. W. Smith / of our office.

(Value = 25)

Respectively yours, (265)

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1946

Commercial diploma examinations;
complete set

WITHDRAWN

~~STORAGE~~

